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CITY COURT
OF WEST MONROE, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-30-05



CITY COURT
OF WEST MONROE, LOUISIANA

JUNE 30, 2005

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CAMERON, HINES & HARTT

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INDEPENDENT AUDITORS' REPORT

Honorable Judge Jim Norris,
City Court of West Monroe, Louisiana

We have audited the accompanying statement of fiduciary assets and liabilities – agency funds of the City Court of West Monroe, Louisiana, a component unit of the City of West Monroe, Louisiana as of and for the year ended June 30, 2005, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City Court's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fund financial statements of the City Court of West Monroe, Louisiana, as of June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 5 is not a required part of the component unit financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Judge Jim Norris,
City Court of West Monroe, Louisiana
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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court's component unit financial statements. Management's discussion and analysis is presented for purposes of additional analysis and is not a required part of the component unit financial statements. Management's discussion and analysis has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 24, 2005



City Court Of West Monroe Ward 5

Jim Norris
Judge

Charlene Crocker
Clerk of Court
Civil Division

Jacquanna Burson
Clerk of Court
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Mary Jo Phillips
Greta Redden
Alicia Johnson
Stacy Gabb

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City Court of West Monroe, Louisiana (the Court) provides an overview of the Court's activities for the year ended June 30, 2005. Please read it in conjunction with the Court's financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Fiduciary Assets and Liabilities – Agency Funds provides information about the activities of the Court as a whole and present a longer-term view of the Court's finances. Fund Financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all of the Court's governmental funds.

REPORTING THE COURT AS A WHOLE

The Statement of Fiduciary Assets and Liabilities – Agency Funds

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

This statement reports the Court's net assets. The Court's net assets – the difference between assets and liabilities – measure the Court's financial position. The increases or decreases in the Court's net assets are an indicator of whether its financial position is improving or deteriorating. Currently, the Court has only agency funds that are collected for other governmental units.

REPORTING THE COURT'S FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the Court's funds – not the Court as a whole. Only the Fiduciary Fund Type – Agency Funds existed as of June 30, 2005. It consisted of assets and changes in deposits due governmental agencies such as the Civil Court Cost Fund, the Judge's Accrued Civil Cost Fund, the Probation Fund and the Restitution Fund.

These funds are reported using an accounting method called modified accrual accounting, which measures only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Court's operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance the Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are shown in a reconciliation following the fund financial statements, if applicable. This governmental unit only had a Statement of Fiduciary Assets and Liabilities – Agency Funds.

THE COURT AS A WHOLE

Since the City Court's funds consist only of fiduciary fund types – agency funds, their only responsibility is custodial – to hold the assets and remit them to individuals or organizations that own them. Assets equal liabilities and there are no "operations" to report.

GENERAL FUND BUDGETARY HIGHLIGHTS

No budget is prepared by the City Court of West Monroe, Louisiana since the operations are provided by the City of West Monroe, Louisiana.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2005 and 2004, the Court had nothing invested in capital assets.

Debt

At year end, the Court had only agency fund liabilities due to other governmental agencies.

	<u>2005</u>	<u>2004</u>
Amounts due Other Governmental Agencies	\$318,639	\$285,655

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Court operations are funded entirely by the City of West Monroe, Louisiana. There is not an annual budget for the Court.

CONTACTING THE COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Court's offices at 2303 North 7th Street, West Monroe, Louisiana.

Fund Financial Statement

CITY COURT
OF WEST MONROE, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
JUNE 30, 2005

ASSETS

Cash	<u>\$ 318,639</u>
<u>TOTAL ASSETS</u>	<u>\$ 318,639</u>

LIABILITIES

Deposits Due To Others	<u>318,639</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 318,639</u>

The accompanying notes are an integral part of this financial statement.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 - Summary of Significant Accounting Policies

The City Court of West Monroe, Louisiana, (the "City Court"), is a component unit of the City of West Monroe, Louisiana. As provided for by Chapter 7 of Title 13 of the Louisiana Revised Statutes, the City Court has jurisdiction in all civil matters in the City of West Monroe, Louisiana including all of Ward Five of Ouachita Parish. The criminal jurisdiction of the City Court is limited to offenses committed within the city limits of West Monroe, Louisiana, which are not punishable by imprisonment and hard labor. The City Judge is elected for six-year terms.

Financial Reporting Entity

As a governing authority of the city, for reporting purposes, the City of West Monroe, Louisiana, is the financial reporting entity for the city. The financial reporting entity consists of (a) the primary government (city), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of West Monroe, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the city to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organizations is not included because of the nature or significance of the relationship.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD&A) section providing an analysis of the City Court’s financial statements prepared using full accrual accounting for all activities. These and other changes are reflected in the accompanying financial statements including the notes to the financial statements.

Basic Financial Statements

Government-Wide Financial Statements - The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non exchange revenues. Since the City Court’s funds consist only of fiduciary fund types - agency funds, a government-wide financial statement is not presented. GASB No. 24, paragraph 73, provides that agency funds should be used to report resources held in a purely custodial capacity for individuals or organizations outside the reporting government. The reporting government’s only responsibility is custodial – to hold the assets and remit them to individuals or organizations that own them. Assets equal liabilities and there are no “operations” to report. These agency fund assets and liabilities exclude amounts held for the reporting government itself. GASB No. 34 requires that these assets be reported in the appropriate funds of the primary government. None of the funds of the City Court are used in the reporting entity. All operations of the City Court are provided by the City of West Monroe, Louisiana.

Fund Financial Statements - The financial transactions of the City Court are reported in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets and liabilities.

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of measurement focus applied.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus - All assets and liabilities associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statement. Only current assets and liabilities are generally included on the balance sheet.

Basis of Accounting - The modified accrual basis of accounting is used for reporting all fiduciary fund types. Under the modified accrual basis of accounting, additions are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The court uses the following practices in recognizing and reporting additions and reductions:

1. Additions:

Judge's costs and other court costs are recorded in the year in which they are earned.

Substantially all other additions are recognized when received by the City Court.

Based on the above criteria, judge's costs and other court costs are treated as susceptible to accrual.

2. Reductions:

Reductions are generally recognized under the modified accrual basis of accounting when the related funds liability is incurred.

Budgets and Budgetary Accounting

No budget is prepared by the City Court since there are no operations to budget for. The operations are provided by the City of West Monroe, Louisiana and therefore budgets for the court operations in its reporting entity.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

Note 2 - Cash

Under state law, the City Court may deposit funds within a fiscal agent bank, organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2005, the City Court had cash (book balances) totaling \$318,638.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at June 30, 2005 total \$332,444 and are fully secured by federal deposit insurance and/or the pledge of securities owned by the fiscal agent bank.

Note 3 - City Marshal

In prior years, the financial statements of the City Marshal of West Monroe, Louisiana were included with the Court's financial statements. The financial statements for the City Marshal of West Monroe, Louisiana are reported separately for the year ended June 30, 2005.

Supplemental Information

CITY COURT
OF WEST MONROE, LOUISIANA
JUNE 30, 2005

FIDUCIARY FUND TYPE - AGENCY FUNDS

Civil Court Cost Fund

The Civil Court Cost Fund accounts for advance deposits on civil suits filed by litigants. The advances are refundable to the litigants after all court costs have been paid.

Judge's Accrued Civil Cost Fund

The Judge's Accrued Civil Cost Fund accounts for fees earned by the Judge, which are transferred from the Civil Court Cost Fund and are used to pay a portion of the Judge's salary and other costs of operating the City Court.

Probation and Restitution Funds

The Probation and Restitution Funds account for the collection of probation fees. The Restitution Fund collects probation fees and distributes that money to victims who are due restitution. The Probation Fund collects probation fees that are used to reimburse the City of West Monroe for the salary of the probation officer.

CITY COURT
OF WEST MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005

	Civil Court Cost Fund	Judge's Accrued Civil Cost Fund	Probation Fund	Restitution Fund	Total
<u>ASSETS</u>					
Cash	\$ 169,052	\$ 101,768	\$ 45,554	\$ 2,265	\$ 318,639
<u>TOTAL ASSETS</u>	<u>\$ 169,052</u>	<u>\$ 101,768</u>	<u>\$ 45,554</u>	<u>\$ 2,265</u>	<u>\$ 318,639</u>
<u>LIABILITIES</u>					
Deposits Due to Others	\$ 169,052	\$ 101,768	\$ 45,554	\$ 2,265	\$ 318,639
<u>TOTAL LIABILITIES</u>	<u>\$ 169,052</u>	<u>\$ 101,768</u>	<u>\$ 45,554</u>	<u>\$ 2,265</u>	<u>\$ 318,639</u>

CITY COURT
OF WEST MONROE, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS
FOR THE YEAR ENDED JUNE 30, 2005

	Civil Court Cost Fund	Judge's Accrued Civil Cost Fund	Probation Fund	Restitution Fund	Total
<u>DEPOSITS DUE</u>					
<u>OTHERS AT</u>					
<u>JUNE 30, 2004</u>	\$ 158,101	\$ 102,723	22,071	2,760	\$ 285,655
<u>ADDITIONS:</u>					
Deposits-Suits and					
Successions	175,069	-	-	-	175,069
Interest Earned	-	889	135	-	1,024
Probation	-	-	68,650	-	68,650
Restitution	-	-	-	19,921	19,921
Transfers from Other Funds	-	67,445	-	-	67,445
Total Additions	175,069	68,334	68,785	19,921	332,109
Subtotal	333,170	171,057	90,856	22,681	617,764
<u>REDUCTIONS:</u>					
Judge's Cost	67,445	-	-	-	67,445
Judge's Salary	-	29,042	-	-	29,042
Judge's Retirement	-	5,170	-	-	5,170
Judge's Suppl.					
Comp. Fund	21,294	-	-	-	21,294
Marshal's Fee	28,217	-	-	-	28,217
Salaries - Staff	-	12,756	38,908	-	51,664
Payroll Taxes	-	573	479	-	1,052
Security	-	-	1,450	-	1,450
Other Court Costs	21,380	-	-	-	21,380
Other Reductions	-	6,059	2,492	-	8,551
Settlements	25,782	-	-	20,416	46,198
Transfers to City of					
West Monroe	-	-	1,973	-	1,973
Travel	-	15,689	-	-	15,689
Total Reductions	164,118	69,289	45,302	20,416	299,125
<u>DEPOSITS DUE OTHERS AT</u>					
<u>JUNE 30, 2005</u>	\$ 169,052	\$ 101,768	\$ 45,554	\$ 2,265	\$ 318,639

Compliance Reporting

CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Judge Jim Norris,
City Court of West Monroe, Louisiana

We have audited the component unit financial statements of the City Court of West Monroe, Louisiana, a component unit of the City of West Monroe, Louisiana, as of and for the year ended June 30, 2005, and have issued our report thereon dated October 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Honorable Judge Jim Norris,
City Court of West Monroe, Louisiana
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This report is intended solely for the information and use of management, others within the organization, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Cameron, Hines & Hunt (APAC)

West Monroe, Louisiana
October 24, 2005

CITY COURT OF
WEST MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005

We have audited the component unit financial statements of City Court of West Monroe, Louisiana as of and for the year ended June 30, 2005, and have issued our report thereon dated October 24, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2005, resulted in an unqualified opinion.

Section I- Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no Reportable Conditions ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Internal Control

Material Weakness ___ yes ___ no Reportable Conditions ___ yes ___ no

Type of Opinion on Compliance
For Major Programs

Unqualified ___ Qualified ___
Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133, Section .510 (a)?

C. Identification of Major Programs: N/A

CFDA Number(s)

Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

Section II- Financial Statement Findings – N/A

Section III- Federal Award Findings and Question Costs- N/A

CITY COURT OF
WEST MONROE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005

Section I- Internal Control and Compliance Material to the Financial Statements

04-3 Late filing of Financial Statements

Condition:

The City Marshal was unable to file its financial statements with the Louisiana Legislative Auditor by December 31, 2004.

Recommendation:

Record keeping should be performed by the City Marshal in manner to allow timely filing of the financial statements. It is also recommended that the City Court have a separate audit from the City Marshal.

Current Status:

The City Court audit has been separated from the audit of the City Marshal.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.